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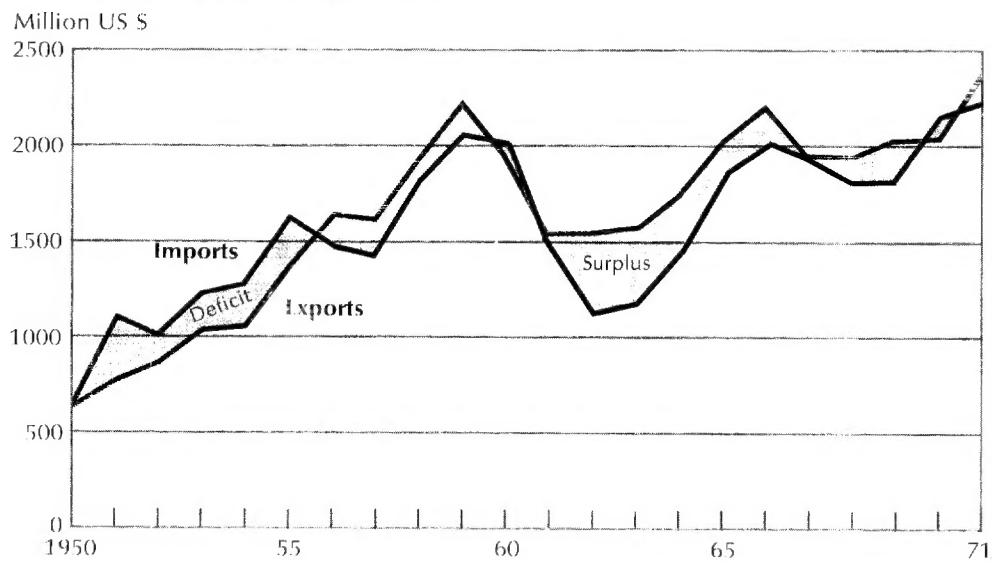
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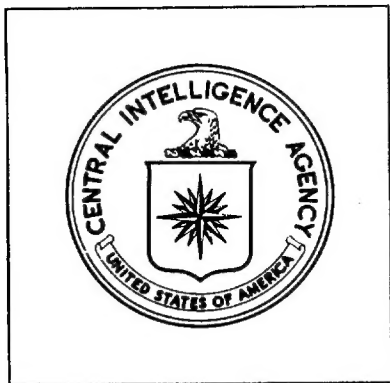
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### China: Balance of Trade

Figure 2



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## RESEARCH AID

# PEOPLE'S REPUBLIC OF CHINA: INTERNATIONAL TRADE HANDBOOK

A 72-38  
December 1972

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# RESEARCH AID

## PEOPLE'S REPUBLIC OF CHINA: INTERNATIONAL TRADE HANDBOOK

A 72-38

December 1972

## FOREWORD

This handbook on the international trade of the People's Republic of China (PRC) was prepared as a research aid. It contains the following information: a short text setting the trade of the PRC in perspective, assessing PRC trade during 1971, and giving a preliminary estimate of the likely level of China's international trade during 1972; Appendix A, comprising Tables 2 through 12, which cover trade trends, trading partners, and commodity composition; Appendix B, listing Chinese foreign trade corporations; Appendix C, which is a methodological supplement; and Appendix D, a list of selected books and periodicals for further reading on the international trade relations of the PRC.

The statistical data for this handbook are based on the official statistics, where available, of the trading partners of the PRC. Statistics for PRC trade with the non-Communist developed countries and with Latin America are essentially complete, but statistics for its trade with Africa, the Middle East, and Asia are fragmentary. Statistics on PRC trade with the USSR and most East European countries are available. Statistics are not available for other Communist countries, and estimates for these countries are based on trade agreements and other trade indicators. Non-Communist trade statistics have been adjusted to place Chinese trade on an export f.o.b. and import c.i.f. basis.\* In addition, adjustments have been made for double counting, such as Chinese re-exports through Hong Kong, and undercounting, such as Chinese grain purchases delivered to other countries.

The grouping of non-Communist countries is as follows: (1) **developed countries**, which combines Japan, Australia, and New Zealand in East Asia and the Pacific; all countries except Spain and Portugal in Western Europe; Canada and the United States in North America; and South Africa; (2) **less developed countries**, which combines all other East Asian and Pacific countries; all Middle Eastern and South Asian countries; all countries in Latin America except Cuba; and all countries in Africa except South Africa; and (3) **Hong Kong and Macao**.

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\*The value of imports, which are shown on a c.i.f. basis, is the value of goods delivered to Chinese docks, including insurance and freight charges. The value of exports, which are shown on an f.o.b. basis, is the value of goods loaded on board ship in Chinese ports.

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## People's Republic of China: International Trade Handbook, 1972

### Trade in Perspective

1. International trade conducted by the People's Republic of China (PRC) during 1971 amounted to US\$4,660 million—\$2,405 million in exports and \$2,255 million in imports. These are all record levels and, in total, represent a 10% growth over 1970, which in turn was nearly 10% higher than the 1969 level. Total trade may be up another 10% during 1972 even after allowing for the effects of the 1971 currency revaluations. Viewed in the context of total international trade, Chinese exports during 1971 amounted to only 0.7% of world exports. In the same context, total world exports in 1971 were 27% higher than in 1969 while Chinese exports to the world over the same period were up 18%. Chinese imports during this period were up 23%.

2. Additional economic comparisons with other countries also help to place Chinese trade in proper international perspective. The following tabulation shows two key international trade percentage comparisons of the PRC with other selected countries for 1971.

|                    | Total Trade as a<br>Percent of Gross<br>National Product | Monetary Reserves<br>as a Percent of<br>Imports |
|--------------------|----------------------------------------------------------|-------------------------------------------------|
| PRC.....           | 4                                                        | 30-35                                           |
| USSR.....          | 5                                                        | 20-25                                           |
| India.....         | 8                                                        | 48                                              |
| United States..... | 9                                                        | 27                                              |
| Japan.....         | 18                                                       | 78                                              |
| France.....        | 25                                                       | 39                                              |

Total trade of the PRC is a relatively low percentage of gross national product (GNP); the percentage is nearly the same as that of the USSR and about one-half that of the United States and India. This is not surprising, however, in view of its large holdings of natural resources, the large share of GNP accounted for by agricultural output, and the huge population which creates a vast market for China's own products but is hampered from purchasing imports by its low average income and the restrictive government controls.

3. China's international reserves are thought to be about \$700 million to \$800 million, small in comparison with many other countries but adequate for the size of its international trade, especially since China is void of any long-term debt. The PRC's reserves equal 30%–35% of imports, a higher percentage than that of the USSR and the United States but less than that of the other countries being compared.

### Historical Trends

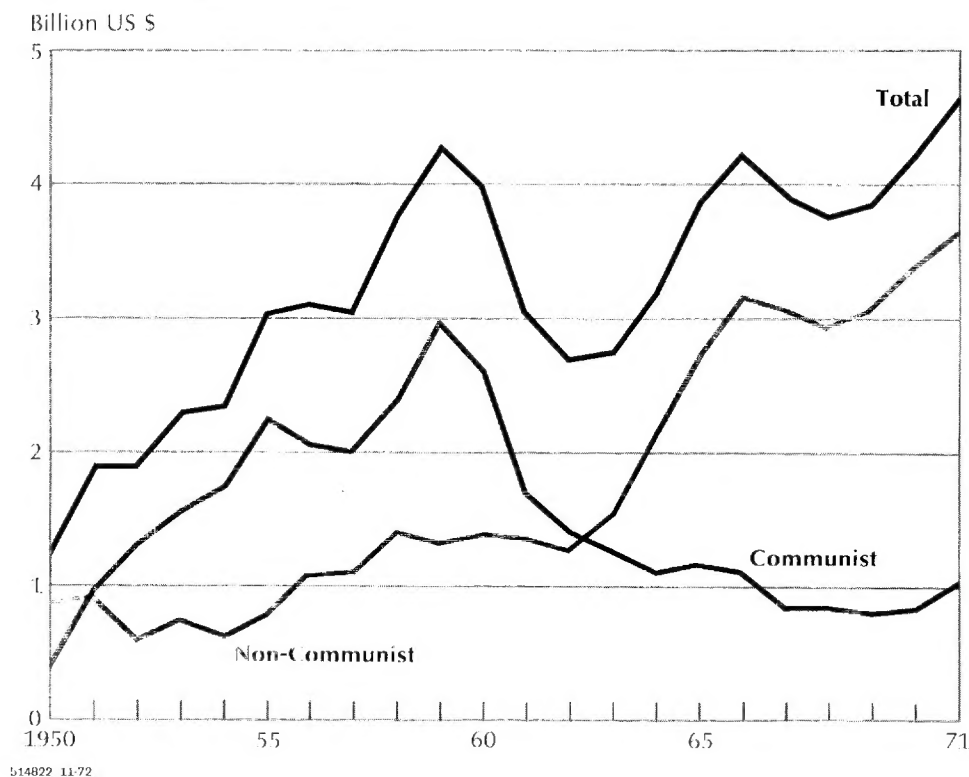
4. China's foreign trade is an integral part of its centralized economy; consequently, its trends have followed the periods of economic and political



fluctuations. Economic restoration aided by the USSR and Eastern Europe and the attempt at rapid industrialization during the Great Leap Forward dominated the 1950s. Trade climbed rapidly to \$4.3 billion by 1959. The economic collapse following the Great Leap and the withdrawal of Soviet aid in 1960 caused trade to plummet to \$2.7 billion by 1962. By 1966, trade had recovered to nearly the 1959 peak level. But foreign trade was again disrupted in 1967-68, this time by the Great Proletarian Cultural Revolution. By 1969, trade had once again started to climb. Finally by 1971 it surpassed the 1959 peak, reaching nearly \$4.7 billion (see Figure 1).

### China: Trade Trends

Figure 1

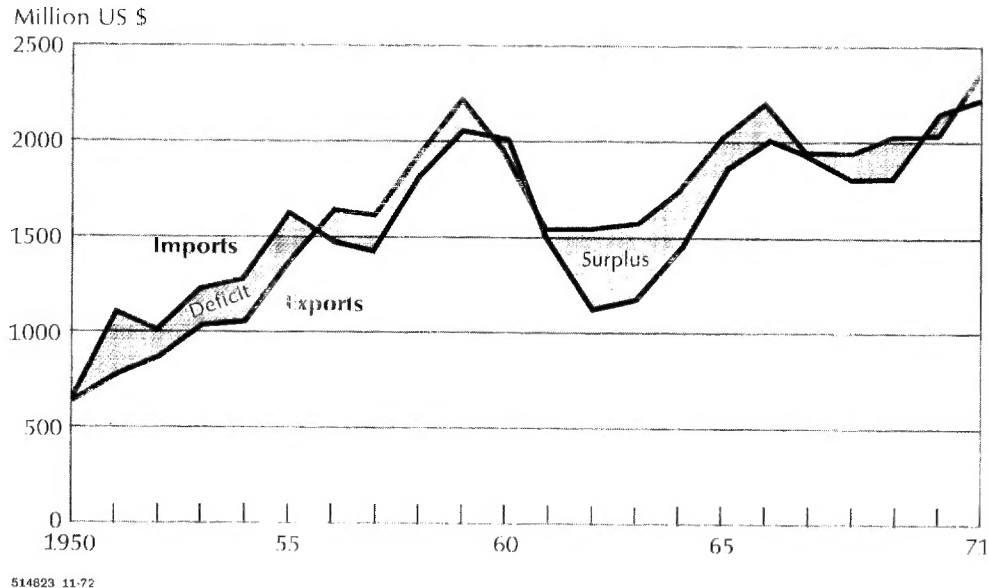


5. During this same historical time frame the bulk of China's trading shifted from being with the Communist countries to being with the non-Communist countries. Because of Mao's policy of "lean to one side" and the Korean war trade restrictions imposed by the Western nations, China's trade with other Communist countries during the 1950s averaged about two-thirds of its total. But the Sino-Soviet rift encouraged China to diversify its trade, shifting to the non-Communist countries. By 1966, trade with the Communists had fallen to about one-fourth of China's total and it has remained below this level since.

6. With the exception of 1951-55 and a few subsequent years, China has maintained a favorable balance of trade worldwide (see Figure 2). These balances are not, however, necessarily reflective of China's international financial position. Trade with the Communist countries is bilateral, and imbalances are generally settled with goods the following year or are matched by credits. A

## China: Balance of Trade

Figure 2



trade imbalance with those countries represents a flow of resources and an opportunity cost but has little or no effect on Chinese reserves of gold and foreign exchange. Trade deficits with the non-Communist world are generally offset by the large remittances of foreign currency by overseas Chinese. In general, China's policy has been to maintain balanced trade and to incur no long-term debt.

### Patterns of Trade, 1971

7. The international trade of the PRC offered few real surprises during 1971. As expected, efforts were directed toward obtaining a favorable balance of trade to offset the imbalance of 1970. Consequently imports increased by less than 4% while exports were pushed up by nearly 18% over 1970. Imports from the hard currency countries actually dropped slightly while exports expanded by \$255 million, resulting in an almost equal balance of trade with these countries during 1971.<sup>1</sup>

8. Exports were higher during 1971 with most of China's trading partners. Imports, however, were mixed. They were up slightly from Japan; down from all major partners in Western Europe except France and Sweden; off from Australia, largely because of the reductions in wheat imports; but much higher with Canada, to which wheat purchases were shifted. The general reduction in imports of \$125 million from the developed non-Communist countries was offset by increased imports of \$120 million from Latin American and African nations. Part of this shift is due to the Chinese agreements to purchase nonferrous metals from the producing countries of Zambia, Peru, and Chile. Trade increased with the USSR by \$110 million and by \$55 million with Eastern Europe, but, in general, it remained balanced with these countries. Aid to Albania and North Vietnam generated most of the imbalance of trade with the Communist countries.

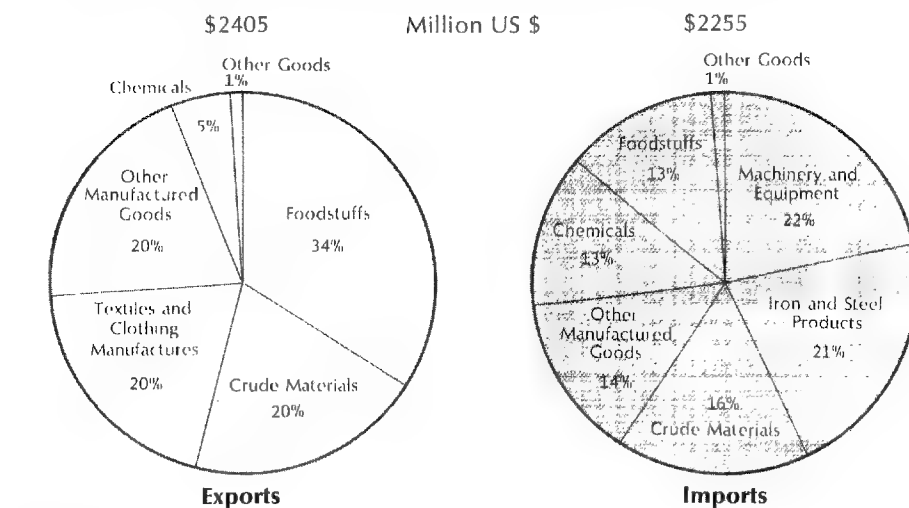
<sup>1</sup> For the details on trade in 1971, see the statistical tables in Appendix A.

9. In total, non-Communist trade slipped from 80% of China's total in 1970 to 78% in 1971. Trade with developed countries as a percent of trade with all non-Communist countries fell from 66% in 1970 to 61% during 1971. But despite the general shifting of Chinese trade among its trading partners, Japan, Hong Kong, and West Germany maintained their rank as the first, second, or third largest traders with China for the fifth straight year.

10. China mainly exports foodstuffs (meats, rice, fruits, and vegetables), crude materials, textiles, clothing, and light manufactures (see Figure 3). In

Figure 3

### China: Commodity Composition of Trade, 1971



exchange it imports wheat, rubber, textile fibers, fertilizer, metal products, machinery, and transport equipment. The commodity composition of China's trade changes slowly and, as expected, during 1971 shifted only slightly from the 1970 distribution. Exports of food continued to move slowly upward while imports of food moved slowly downward as a percentage of the totals. Imports of wheat and nonferrous metals fell by a total of \$135 million during 1971 while imports of iron and steel and machinery and equipment increased by \$170 million. Purchases of iron and steel were up from Japan, Western Europe, and the Communist countries. Machinery and equipment from the non-Communist countries rose by about \$30 million, with higher deliveries from Western Europe more than offsetting a drop from Japan; imports of these goods also increased by some \$70 million from other Communist countries—\$38 million worth from the USSR alone.

### Outlook for 1972

11. A survey was taken of the total trade with China during the first six months of 1972 for ten of China's major non-Communist trading partners, which together account for about one-half of China's total trade. The following tabulation compares the January-June 1972 trade with the same period in 1971 for these countries (converted to million US\$).

|                     | January-June |       |                                     |
|---------------------|--------------|-------|-------------------------------------|
|                     | Million US\$ |       | Percentage Change<br>1972 over 1971 |
|                     | 1971         | 1972  |                                     |
| Japan.....          | 417          | 529   | 26.9                                |
| Hong Kong.....      | 200          | 237   | 18.5                                |
| West Germany.....   | 109          | 128   | 17.4                                |
| Italy.....          | 58           | 88    | 51.7                                |
| France.....         | 97           | 75    | 22.7                                |
| United Kingdom..... | 58           | 73    | 25.9                                |
| Singapore.....      | 68           | 70    | 2.9                                 |
| Sweden.....         | 22           | 33    | 50.0                                |
| Netherlands.....    | 24           | 27    | 12.5                                |
| Switzerland.....    | 16           | 17    | 6.2                                 |
| Total.....          | 1,069        | 1,277 | 19.5                                |

12. The results of this survey cannot be projected uniformly to China's total 1972 trade. But other indicators suggest a general increase over 1971 of 15%-20%, to about \$5.5 billion. These indicators include:

- The Japanese-Chinese normalization efforts, the record level of Sino-Japanese deals concluded at the 1972 spring Canton fair, the recent signing of metals and fertilizer contracts, the new yen-yuan currency settlement agreements, and the steady stream of Japanese businessmen and bankers to Peking all suggest that Sino-Japanese trade will remain at a high level throughout 1972.
- The nature of the Chinese exports to Hong Kong, mainly food and consumer goods for the colony, along with the July devaluation of the Hong Kong dollar against the Chinese yuan suggests that the value of this market will remain stable and high throughout the year.
- During the first half of 1972, Chinese exports to France were up by 63%—from \$27 million to \$44 million—but imports were down from \$70 million to \$31 million. This imbalance and drop in trade should be overcome in the second half of 1972 with the expected delivery to China of some 40 French locomotives worth about \$35 million.
- In the second half of 1972, trade expansion with the rest of Western Europe on balance should not differ significantly from that in the first half.
- Trade with many of the other countries accounting for about 50% of China's trade is expected to be up significantly for the year, especially countries in Latin America and Africa, Canada, and the USSR. In total, because of the lesser effects of the currency adjustments on trade with most of these countries, the real increase will likely be higher, although the dollar value increase may be less than with the ten countries surveyed.

13. The real increase in China's trade in 1972 may be only about one-half the 15%-20% increase indicated by the dollar values. The increase in trade in terms of dollars includes the effects of the currency revaluations on the dollar estimates of China's trade as well as the real increase in the volume of goods exchanged. Although a precise measurement of the effect of the revaluation is not possible, a comparison of worldwide 1970 Chinese trade <sup>2</sup> in old and new dollars

<sup>2</sup> Data for 1970 were used because 1970 is the latest complete year for which exchange rates remained stable.

gives some idea of the net effect of the currency realignment on the dollar estimates of China's trade (see Table 1). The dollar figure of 1970 trade at December 1971 exchange rates is 10% higher than under the old rates. This same methodology was applied to the January-June 1972 trade data for the ten countries reviewed above, with the current dollar value being about 13% higher than the dollar value at 1970 exchange rates. It does not tell the whole story, however, because the new terms of trade have generated some non-quantifiable adjustments in commodities and countries in China's trade. In addition, this sample only represents one-half of China's total trade and the effect of the revaluation on the estimates of the other countries will be less, especially for those in Africa and Latin America.

14. One significant hallmark on the Chinese trading scene during 1972 has been the initiation of direct trade between the PRC and the United States for the first time in over 20 years. Some 35 Americans were in their first attendance at China's semi-annual trade fair at Canton during April-May 1972. They purchased about \$5 million worth of Chinese products for delivery this year. About twice this many Americans were invited for the fall fair during October-November, but results of these contacts are not yet known. A few significant US

Table 1

China: Net Effect of the Currency Realignment on the Dollar Estimates of 1970 Trade

|                                    | Percent Revaluation<br>of Local Currency<br>Against the Dollar | Calculated at 1970 Exchange<br>Rates |              |              | Calculated at December 1971<br>Exchange Rate |              |              |
|------------------------------------|----------------------------------------------------------------|--------------------------------------|--------------|--------------|----------------------------------------------|--------------|--------------|
|                                    |                                                                | Total                                | Exports      | Imports      | Total                                        | Exports      | Imports      |
|                                    |                                                                | Trade                                |              |              | Trade                                        |              |              |
| Africa.....                        | 5.0 <sup>a</sup>                                               | 195                                  | 125          | 70           | 205                                          | 131          | 74           |
| Australia.....                     | 8.6                                                            | 175                                  | 40           | 135          | 190                                          | 43           | 147          |
| Canada.....                        | 8.0                                                            | 176                                  | 22           | 154          | 190                                          | 24           | 166          |
| Egypt.....                         |                                                                | 34                                   | 13           | 21           | 34                                           | 13           | 21           |
| France.....                        | 8.6                                                            | 154                                  | 57           | 97           | 167                                          | 62           | 105          |
| Hong Kong.....                     | 8.6                                                            | 359                                  | 354          | 5            | 390                                          | 384          | 5            |
| Italy.....                         | 7.5                                                            | 132                                  | 56           | 76           | 142                                          | 60           | 82           |
| Japan.....                         | 16.9                                                           | 855                                  | 255          | 600          | 999                                          | 298          | 701          |
| Latin America.....                 | <sup>b</sup>                                                   | 15                                   | 10           | 5            | 15                                           | 10           | 5            |
| Malaysia and Singapore.....        | 8.6                                                            | 190                                  | 140          | 50           | 206                                          | 152          | 54           |
| Netherlands.....                   | 11.6                                                           | 58                                   | 25           | 33           | 65                                           | 28           | 37           |
| Pakistan.....                      |                                                                | 61                                   | 30           | 31           | 61                                           | 30           | 31           |
| Sri Lanka (Ceylon).....            | 3.0                                                            | 86                                   | 46           | 40           | 89                                           | 47           | 41           |
| Sweden.....                        | 7.5                                                            | 33                                   | 16           | 17           | 35                                           | 17           | 18           |
| Switzerland.....                   | 13.9                                                           | 41                                   | 18           | 23           | 47                                           | 21           | 26           |
| United Kingdom.....                | 8.6                                                            | 212                                  | 69           | 143          | 230                                          | 75           | 155          |
| West Germany.....                  | 13.6                                                           | 270                                  | 70           | 200          | 307                                          | 80           | 227          |
| Other non-Communist countries..... | 8.0 <sup>c</sup>                                               | 349                                  | 224          | 125          | 377                                          | 242          | 135          |
| USSR.....                          | 9.5                                                            | 45                                   | 20           | 25           | 49                                           | 22           | 27           |
| Other Communist countries.....     | 9.0 <sup>d</sup>                                               | 780                                  | 455          | 325          | 850                                          | 496          | 354          |
| <b>Total <sup>e</sup></b> .....    |                                                                | <b>4,220</b>                         | <b>2,045</b> | <b>2,175</b> | <b>4,650</b>                                 | <b>2,235</b> | <b>2,410</b> |

<sup>a</sup> Only approximate. The currencies of some countries remained at par with the US dollar, and most of the others changed at the same rate as the British pound.

<sup>b</sup> Most countries kept their rates at par with the US dollar.

<sup>c</sup> Most countries changed at a rate identical with the British pound. Some remained at par with the dollar. A few changed their rates by greater amounts than the pound.

<sup>d</sup> Some countries kept their rate at par with the ruble, while others kept their rates in line with the British pound.

<sup>e</sup> Rounded to the nearest \$5 million. Because of rounding, components may not add to the totals shown.

sales have been concluded with the PRC during 1972, which are contributing to the expansion of Sino-US trade relations. Among these are the recent sales, via a third country intermediary, of about 400,000 metric tons of wheat and 300,000 tons of corn, valued at roughly \$45 million. Another is the Boeing Company sale of ten 707 jets for \$125 million; these, however, are not scheduled for delivery until 1973-74. If all of the grain is shipped during 1972, total two-way trade between China and the United States this year could reach \$70 million to \$80 million.

## Statistical Tables

China: Balance of Trade <sup>a</sup>China: Balance of Trade <sup>a</sup>

Million US\$

a Rounded to the nearest \$5 million. Because of rounding, components may not add to the totals shown.

Table 3

China: Trade, by Area and Country <sup>a</sup>

Million US\$

| Area and Country                          | 1966      |          |          |         | 1967      |          |          |         | 1968      |          |          |         | 1969      |          |          |         | 1970      |          |          |         | 1971      |          |          |         |
|-------------------------------------------|-----------|----------|----------|---------|-----------|----------|----------|---------|-----------|----------|----------|---------|-----------|----------|----------|---------|-----------|----------|----------|---------|-----------|----------|----------|---------|
|                                           | Turn-over | Ex-ports | Im-ports | Balance | Turn-over | Ex-ports | Im-ports | Balance | Turn-over | Ex-ports | Im-ports | Balance | Turn-over | Ex-ports | Im-ports | Balance | Turn-over | Ex-ports | Im-ports | Balance | Turn-over | Ex-ports | Im-ports | Balance |
| Total all countries.....                  | 4,245     | 2,210    | 2,035    | 175     | 3,895     | 1,945    | 1,950    | -5      | 3,765     | 1,945    | 1,820    | 125     | 3,860     | 2,030    | 1,830    | 200     | 4,220     | 2,045    | 2,175    | -130    | 4,660     | 2,405    | 2,255    | 150     |
| Non-Communist countries.....              | 3,155     | 1,625    | 1,530    | 95      | 3,065     | 1,460    | 1,605    | -145    | 2,925     | 1,445    | 1,480    | -35     | 3,075     | 1,540    | 1,535    | 5       | 3,395     | 1,570    | 1,825    | -255    | 3,645     | 1,825    | 1,820    | 5       |
| Developed countries.....                  | 1,855     | 715      | 1,140    | -425    | 1,980     | 635      | 1,345    | -710    | 1,870     | 620      | 1,250    | -630    | 1,930     | 685      | 1,245    | -560    | 2,230     | 675      | 1,555    | -880    | 2,240     | 810      | 1,430    | -620    |
| East Asia and the Pacific.....            | 765       | 330      | 435      | -105    | 820       | 300      | 520      | -220    | 725       | 260      | 465      | -205    | 830       | 280      | 550      | -270    | 1,040     | 300      | 740      | -440    | 1,005     | 365      | 640      | -275    |
| Of which:                                 |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |
| Australia.....                            | 121       | 25       | 96       | -71     | 232       | 29       | 203      | -174    | 147       | 32       | 115      | -83     | 165       | 37       | 128      | -91     | 175       | 40       | 135      | -95     | 71        | 42       | 29       | 13      |
| Japan.....                                | 631       | 300      | 311      | -31     | 569       | 266      | 303      | -37     | 567       | 222      | 345      | -123    | 654       | 239      | 415      | 176     | 855       | 255      | 600      | -245    | 929       | 322      | 607      | -285    |
| Western Europe.....                       | 875       | 365      | 510      | -145    | 1,030     | 310      | 720      | -410    | 960       | 335      | 625      | -290    | 945       | 380      | 565      | -185    | 1,015     | 355      | 660      | -305    | 985       | 410      | 575      | -165    |
| Of which:                                 |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |
| France.....                               | 159       | 48       | 111      | -63     | 142       | 40       | 102      | -62     | 170       | 51       | 119      | -68     | 110       | 65       | 45       | 20      | 154       | 57       | 97       | -40     | 192       | 67       | 125      | -58     |
| Italy.....                                | 113       | 52       | 61       | -9      | 138       | 49       | 89       | -40     | 126       | 43       | 83       | -40     | 128       | 57       | 71       | -14     | 132       | 56       | 76       | -20     | 127       | 56       | 71       | -15     |
| Netherlands.....                          | 44        | 28       | 16       | 12      | 39        | 23       | 16       | 7       | 57        | 24       | 33       | -9      | 64        | 24       | 40       | -16     | 58        | 25       | 33       | -8      | 60        | 35       | 25       | 10      |
| Sweden.....                               | 36        | 14       | 22       | -8      | 63        | 14       | 49       | -35     | 50        | 16       | 34       | -18     | 34        | 16       | 18       | -2      | 32        | 16       | 17       | -1      | 56        | 16       | 40       | 24      |
| Switzerland.....                          | 40        | 16       | 24       | -8      | 40        | 15       | 25       | -10     | 38        | 15       | 23       | 8       | 36        | 19       | 17       | 2       | 41        | 18       | 23       | -5      | 42        | 23       | 19       | 4       |
| United Kingdom.....                       | 178       | 82       | 96       | -14     | 203       | 68       | 135      | -67     | 141       | 71       | 70       | 1       | 211       | 79       | 132      | -53     | 212       | 69       | 143      | -74     | 161       | 69       | 92       | -23     |
| West Germany.....                         | 217       | 82       | 135      | -53     | 296       | 65       | 231      | -166    | 272       | 76       | 196      | -120    | 280       | 78       | 202      | -124    | 270       | 70       | 200      | -130    | 249       | 89       | 160      | -71     |
| North America.....                        | 215       | 20       | 195      | -175    | 130       | 25       | 105      | -80     | 185       | 25       | 160      | -135    | 155       | 25       | 130      | -105    | 175       | 20       | 155      | -135    | 245       | 35       | 215      | -180    |
| United States.....                        | Negl      | Negl     | Negl     | 0       | Negl      | Negl     | Negl     | 0       | Negl      | Negl     | Negl     | 0       | Negl      | Negl     | Negl     | 0       | Negl      | Negl     | Negl     | 0       | 5         | 5        | Negl     | 5       |
| Canada.....                               | 215       | 20       | 195      | -175    | 130       | 25       | 105      | -80     | 185       | 25       | 160      | -135    | 156       | 27       | 129      | -102    | 176       | 22       | 154      | -132    | 241       | 28       | 213      | -185    |
| Less developed countries.....             | 895       | 510      | 385      | 125     | 775       | 515      | 260      | 255     | 730       | 500      | 230      | 270     | 805       | 515      | 290      | 225     | 790       | 525      | 265      | 260     | 955       | 570      | 385      | 185     |
| Southeast Asia.....                       | 290       | 210      | 80       | 130     | 315       | 240      | 75       | 165     | 300       | 230      | 70       | 160     | 335       | 225      | 110      | 115     | 270       | 210      | 60       | 150     | 275       | 230      | 45       | 185     |
| Of which:                                 |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |
| Indonesia <sup>b</sup> .....              | 60        | 50       | 10       | 40      | 60        | 50       | 10       | 40      | 40        | 35       | 5        | 30      | 45        | 40       | 5        | 35      | 35        | 30       | 5        | 25      | 25        | 20       | 5        | 15      |
| Malaysia and Singapore <sup>b</sup> ..... | 145       | 100      | 45       | 55      | 185       | 135      | 50       | 85      | 220       | 165      | 55       | 110     | 260       | 155      | 105      | 50      | 190       | 140      | 50       | 90      | 185       | 150      | 35       | 115     |
| Middle East and South Asia.....           | 350       | 200      | 150      | 50      | 285       | 165      | 120      | 45      | 270       | 170      | 100      | 70      | 295       | 185      | 110      | 75      | 310       | 180      | 130      | 50      | 300       | 155      | 145      | 10      |
| Of which:                                 |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |
| Egypt.....                                | 76        | 39       | 37       | 2       | 47        | 23       | 24       | -1      | 37        | 17       | 20       | -3      | 29        | 11       | 18       | -7      | 34        | 13       | 21       | 8       | 46        | 15       | 31       | -16     |
| Pakistan.....                             | 65        | 27       | 38       | -11     | 67        | 31       | 36       | 5       | 53        | 28       | 25       | 3       | 53        | 26       | 27       | -1      | 61        | 30       | 31       | -1      | 68        | 31       | 37       | -6      |
| Sri Lanka (Ceylon).....                   | 80        | 45       | 35       | 10      | 72        | 35       | 37       | 2       | 72        | 38       | 34       | 4       | 86        | 45       | 41       | 4       | 86        | 46       | 40       | 6       | 58        | 26       | 32       | -6      |
| Latin America.....                        | 110       | 5        | 105      | -100    | 15        | 5        | 10       | -5      | 10        | 10       | 0        | 10      | 10        | 10       | 10       | 0       | 10        | 10       | 10       | 5       | 5         | 10       | 55       | -45     |
| Africa.....                               | 145       | 95       | 50       | 45      | 160       | 105      | 55       | 50      | 150       | 90       | 60       | 30      | 165       | 95       | 70       | 25      | 195       | 125      | 70       | 55      | 315       | 175      | 140      | 35      |
| Hong Kong and Macao.....                  | 405       | 400      | 5        | 395     | 310       | 310      | Negl     | 310     | 325       | 325      | Negl     | 325     | 340       | 340      | Negl     | 340     | 375       | 370      | 5        | 365     | 450       | 445      | 5        | 440     |
| Of which:                                 |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |
| Hong Kong <sup>c</sup> .....              | 380       | 377      | 3        | 374     | 292       | 291      | 1        | 290     | 311       | 310      | 1        | 309     | 327       | 326      | 1        | 325     | 359       | 354      | 5        | 349     | 431       | 428      | 3        | 425     |
| Communist countries.....                  | 1,090     | 585      | 505      | 80      | 830       | 485      | 345      | 140     | 840       | 500      | 340      | 160     | 785       | 490      | 295      | 195     | 825       | 475      | 350      | 125     | 1,015     | 580      | 435      | 145     |
| USSR <sup>b</sup> .....                   | 320       | 145      | 175      | -30     | 105       | 55       | 50       | 5       | 95        | 35       | 60       | -25     | 55        | 30       | 25       | 5       | 45        | 20       | 25       | -5      | 155       | 75       | 80       | 5       |
| Far East <sup>f</sup> .....               | 230       | 150      | 80       | 70      | 240       | 180      | 60       | 120     | 240       | 180      | 60       | 120     | 200       | 145      | 55       | 90      | 190       | 125      | 65       | 60      | 225       | 150      | 75       | 75      |
| Eastern Europe.....                       | 270       | 130      | 140      | -10     | 245       | 110      | 135      | -25     | 275       | 140      | 135      | 5       | 265       | 145      | 120      | 25      | 320       | 160      | 160      | 0       | 375       | 190      | 185      | 5       |
| Of which:                                 |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |           |          |          |         |
| Czechoslovakia.....                       | 46        | 24       | 22       | 2       | 33        | 14       | 19       | -5      | 46        | 25       | 21       | 4       | 59        | 33       | 26       | 7       | 56        | 25       | 31       | -6      | 53        | 24       | 29       | -5      |
| East Germany.....                         | 68        | 32       | 36       | -4      | 69        | 35       | 34       | 1       | 65        | 28       | 37       | -9      | 63        | 33       | 30       | 3       | 78        | 36       | 42       | -6      | 88        | 44       | 44       | 0       |
| Poland.....                               | 53        | 23       | 30       | -7      | 48        | 19       | 29       | -10     | 56        | 31       | 25       | 6       | 41        | 23       | 18       | 5       | 50        | 24       | 26       | -2      | 58        | 21       | 37       | -16     |
| Romania.....                              | 66        | 32       | 34       | -2      | 72        | 33       | 39       | -6      | 84        | 43       | 41       | 2       | 81        | 42       | 39       | 3       | 108       | 58       | 50       | 8       | 145       | 85       | 60       | 25      |
| Other <sup>g</sup> .....                  | 270       | 160      | 110      | 50      | 240       | 140      | 100      | 40      | 230       | 145      | 85       | 60      | 265       | 170      | 95       | 75      | 270       | 170      | 100      | 70      | 260       | 165      | 95       | 70      |

<sup>a</sup> Data for individual countries, except where noted, have been rounded to the nearest \$1 million. All other data have been rounded to the nearest \$5 million. Because of rounding, components may not add to the totals shown.

<sup>b</sup> Rounded to the nearest \$5 million.

<sup>c</sup> Official statistics from Indonesia are believed to include re-exports of Chinese goods from Hong Kong and Singapore, as there have been no known direct imports of Chinese goods since 1966.

<sup>d</sup> Almost all of China's exports to Malaysia probably are re-exported through Singapore and thus are double counted in the

official statistics. To eliminate this double counting, estimates of China's exports to Malaysia and Singapore include only those imports reported by Singapore. The few exports that go directly to Malaysia are probably roughly compensated for in total trade to the area by re-exports through Singapore to Indonesia which have been reported as imports from China by both countries.

<sup>e</sup> Net of entrepot trade with third countries.

<sup>f</sup> Including North Korea, North Vietnam, and Mongolia.

<sup>g</sup> Including Yugoslavia, Cuba, and Albania.



**Table 4**

China: Trade, by Area

Percent

| Area                             | 1966       | 1967        | 1968        | 1969        | 1970        | 1971       |
|----------------------------------|------------|-------------|-------------|-------------|-------------|------------|
| <b>Total <sup>a</sup></b> .....  | <b>100</b> | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b> |
| Non-Communist countries. ....    | 74         | 79          | 78          | 80          | 80          | 78         |
| Developed countries. ....        | 44         | 51          | 50          | 50          | 53          | 48         |
| East Asia and the Pacific. ....  | 18         | 21          | 19          | 22          | 25          | 22         |
| Western Europe. ....             | 21         | 26          | 25          | 24          | 24          | 21         |
| North America. ....              | 5          | 3           | 5           | 4           | 4           | 5          |
| Less developed countries. ....   | 21         | 20          | 19          | 21          | 19          | 20         |
| Southeast Asia. ....             | 7          | 8           | 8           | 9           | 6           | 6          |
| Middle East and South Asia. .... | 8          | 7           | 7           | 8           | 7           | 6          |
| Latin America. ....              | 3          | <i>Negl</i> | <i>Negl</i> | <i>Negl</i> | <i>Negl</i> | 1          |
| Africa. ....                     | 3          | 4           | 4           | 4           | 5           | 7          |
| Hong Kong and Macao. ....        | 10         | 8           | 9           | 9           | 9           | 10         |
| Communist countries. ....        | 26         | 21          | 22          | 20          | 20          | 22         |
| USSR. ....                       | 8          | 3           | 3           | 1           | 1           | 3          |
| Far East. ....                   | 5          | 6           | 6           | 5           | 5           | 5          |
| Eastern Europe. ....             | 6          | 6           | 7           | 7           | 8           | 8          |
| Other. ....                      | 6          | 6           | 6           | 7           | 6           | 6          |

<sup>a</sup> Because of rounding, components may not add to the totals shown.

Table 5

China: Major Trading Partners, by Rank

|                             | 1971 |              | 1970 |              | 1969 |              | 1968 |              | 1967 |              | 1966 |              |
|-----------------------------|------|--------------|------|--------------|------|--------------|------|--------------|------|--------------|------|--------------|
|                             | Rank | Million US\$ | Rank | Million US\$ | Rank | Million US\$ | Rank | Million US\$ | Rank | Million US\$ | Rank | Million US\$ |
| Japan.....                  | 1    | 929          | 1    | 855          | 1    | 654          | 1    | 567          | 1    | 569          | 1    | 631          |
| Hong Kong.....              | 2    | 431          | 2    | 359          | 2    | 327          | 2    | 311          | 3    | 292          | 2    | 380          |
| West Germany.....           | 3    | 249          | 3    | 270          | 3    | 280          | 3    | 272          | 2    | 296          | 4    | 217          |
| Canada.....                 | 4    | 241          | 6    | 176          | 7    | 156          | 5    | 185          | 9    | 130          | 5    | 215          |
| France.....                 | 5    | 192          | 8    | 154          | 9    | 110          | 6    | 170          | 7    | 142          | 7    | 159          |
| Malaysia and Singapore..... | 6    | 185          | 5    | 190          | 4    | 260          | 4    | 220          | 6    | 185          | 8    | 145          |
| United Kingdom.....         | 7    | 161          | 4    | 212          | 5    | 211          | 8    | 141          | 5    | 203          | 6    | 178          |
| USSR.....                   | 8    | 155          | 22   | 45           | 19   | 55           | 10   | 95           | 10   | 105          | 3    | 320          |
| Romania.....                | 9    | 145          | 10   | 108          | 14   | 81           | 15   | 84           | 14   | 72           | 19   | 66           |
| Italy.....                  | 10   | 127          | 9    | 132          | 8    | 128          | 9    | 126          | 8    | 138          | 10   | 113          |

**Table 6**

China: Commodity Composition of Trade

|                                             | Percent    |            |            |            |             |            |
|---------------------------------------------|------------|------------|------------|------------|-------------|------------|
|                                             | 1966       | 1967       | 1968       | 1969       | 1970        | 1971       |
| <b>Exports<sup>a</sup></b> .....            | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b>  | <b>100</b> |
| Foodstuffs.....                             | 28         | 26         | 28         | 30         | 32          | 34         |
| Crude materials, fuels, and edible oils.... | 22         | 23         | 21         | 22         | 21          | 20         |
| Chemicals.....                              | 4          | 4          | 4          | 4          | 5           | 5          |
| Manufactures.....                           | 42         | 44         | 44         | 40         | 42          | 40         |
| Other.....                                  | 5          | 3          | 3          | 3          | <i>Negl</i> | 1          |
| <b>Imports<sup>a</sup></b> .....            | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b>  | <b>100</b> |
| Foodstuffs.....                             | 25         | 19         | 23         | 19         | 16          | 13         |
| Crude materials, fuels, and edible oils.... | 17         | 16         | 16         | 17         | 17          | 16         |
| Chemicals.....                              | 12         | 15         | 17         | 17         | 15          | 13         |
| Manufactures.....                           | 45         | 48         | 43         | 46         | 51          | 57         |
| Other.....                                  | 1          | 1          | 1          | 1          | <i>Negl</i> | 1          |

<sup>a</sup> Because of rounding, components may not add to the totals shown.

Table 7  
China: Commodity Composition of Exports \*

|                                              | 1966  |           |               | 1967  |           |               | 1968  |           |               | 1969  |           |               | 1970  |           |               | 1971  |           |               |
|----------------------------------------------|-------|-----------|---------------|-------|-----------|---------------|-------|-----------|---------------|-------|-----------|---------------|-------|-----------|---------------|-------|-----------|---------------|
|                                              | Total | Communist | Non-Communist | Total | Communist | Non-Communist | Total | Communist | Non-Communist | Total | Communist | Non-Communist | Total | Communist | Non-Communist | Total | Communist | Non-Communist |
| <b>Total</b> .....                           | 2,210 | 585       | 1,625         | 1,945 | 485       | 1,460         | 1,945 | 500       | 1,445         | 2,030 | 490       | 1,540         | 2,045 | 475       | 1,570         | 2,405 | 530       | 1,875         |
| Foodstuffs.....                              | 615   | 130       | 485           | 510   | 75        | 435           | 535   | 85        | 450           | 615   | 80        | 535           | 645   | 90        | 555           | 790   | 140       | 650           |
| Of which:                                    |       |           |               |       |           |               |       |           |               |       |           |               |       |           |               |       |           |               |
| Animals, meat, and fish.....                 | 230   | 70        | 160           | 170   | 20        | 150           | 175   | 25        | 150           | 210   | 25        | 185           | 215   | 20        | 195           | 280   | 35        | 245           |
| Grains.....                                  | 150   | 30        | 120           | 140   | 25        | 115           | 130   | 30        | 100           | 115   | 30        | 85            | 110   | 30        | 80            | 120   | 30        | 90            |
| Fruits and vegetables.....                   | 120   | 25        | 95            | 125   | 20        | 105           | 140   | 25        | 115           | 175   | 20        | 155           | 170   | 25        | 145           | 190   | 30        | 160           |
| Crude materials, fuels, and edible oils..... | 480   | 75        | 405           | 440   | 60        | 380           | 415   | 65        | 350           | 450   | 65        | 385           | 430   | 60        | 370           | 490   | 90        | 400           |
| Of which:                                    |       |           |               |       |           |               |       |           |               |       |           |               |       |           |               |       |           |               |
| Oilseeds.....                                | 90    | 0         | 90            | 90    | 0         | 90            | 85    | 0         | 85            | 75    | 0         | 75            | 65    | 0         | 65            | 15    | 0         | 15            |
| Textile fibers.....                          | 105   | 15        | 90            | 100   | 10        | 90            | 90    | 10        | 80            | 120   | 10        | 110           | 100   | 10        | 90            | 130   | 10        | 120           |
| Crude animal materials.....                  | 90    | 30        | 60            | 75    | 25        | 50            | 100   | 35        | 65            | 130   | 35        | 95            | 115   | 35        | 80            | 115   | 25        | 90            |
| Chemicals.....                               | 90    | 25        | 65            | 85    | 25        | 60            | 85    | 25        | 60            | 90    | 25        | 65            | 105   | 25        | 80            | 130   | 30        | 100           |
| Manufactures.....                            | 920   | 355       | 565           | 850   | 325       | 525           | 850   | 325       | 525           | 820   | 320       | 500           | 855   | 300       | 555           | 965   | 320       | 645           |
| Of which:                                    |       |           |               |       |           |               |       |           |               |       |           |               |       |           |               |       |           |               |
| Textile yarn and fabric.....                 | 305   | 80        | 225           | 250   | 65        | 185           | 270   | 70        | 200           | 310   | 75        | 235           | 340   | 80        | 260           | 325   | 80        | 245           |
| Clothing.....                                | 185   | 140       | 45            | 170   | 120       | 50            | 180   | 110       | 70            | 195   | 105       | 90            | 155   | 85        | 70            | 155   | 95        | 60            |
| Iron and steel.....                          | 90    | 30        | 60            | 70    | 30        | 40            | 25    | 25        | 0             | 35    | 25        | 10            | 40    | 25        | 15            | 60    | 25        | 35            |
| Nonferrous metals.....                       | 40    | 10        | 30            | 35    | 10        | 25            | 25    | 10        | 15            | 35    | 10        | 25            | 25    | 10        | 15            | 45    | 10        | 35            |
| Other.....                                   | 105   | 0         | 105           | 60    | 0         | 60            | 60    | 0         | 60            | 55    | 0         | 55            | 10    | 0         | 10            | 30    | 0         | 30            |

\* Data have been rounded to the nearest \$5 million. Estimates are based on data reported by trading partners. Where data are incomplete, as for most less developed countries and for many of the Communist countries, estimates are based on fragmentary information from trade agreements and press reports and on commodity breakdowns available for earlier years.

Table 8

China: Commodity Composition of Imports <sup>a</sup>

|                                              | 1966         |            |               | 1967         |            |               | 1968         |            |               | 1969         |            |               | 1970         |            |               | 1971         |            |               |
|----------------------------------------------|--------------|------------|---------------|--------------|------------|---------------|--------------|------------|---------------|--------------|------------|---------------|--------------|------------|---------------|--------------|------------|---------------|
|                                              | Total        | Communist  | Non-Communist | Total        | Communist  | Non-Communist | Total        | Communist  | Non-Communist | Total        | Communist  | Non-Communist | Total        | Communist  | Non-Communist | Total        | Communist  | Non-Communist |
| <b>Total</b> .....                           | <b>2,035</b> | <b>505</b> | <b>1,530</b>  | <b>1,950</b> | <b>345</b> | <b>1,605</b>  | <b>1,820</b> | <b>340</b> | <b>1,480</b>  | <b>1,830</b> | <b>295</b> | <b>1,535</b>  | <b>2,175</b> | <b>350</b> | <b>1,825</b>  | <b>2,255</b> | <b>435</b> | <b>1,820</b>  |
| Foodstuffs.....                              | 510          | 80         | 430           | 380          | 75         | 305           | 410          | 75         | 335           | 350          | 70         | 280           | 355          | 70         | 285           | 300          | 70         | 230           |
| Of which:                                    |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |
| Grains.....                                  | 400          | 0          | 400           | 295          | 0          | 295           | 305          | 0          | 305           | 280          | 0          | 280           | 280          | 0          | 280           | 210          | 0          | 210           |
| Crude materials, fuels, and edible oils..... | 340          | 100        | 240           | 320          | 65         | 255           | 300          | 65         | 235           | 310          | 55         | 255           | 380          | 80         | 280           | 355          | 65         | 290           |
| Of which:                                    |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |
| Rubber.....                                  | 85           | 0          | 85            | 75           | 0          | 75            | 85           | 0          | 85            | 145          | 0          | 145           | 80           | 0          | 80            | 75           | 0          | 75            |
| Textile fibers.....                          | 150          | 0          | 150           | 150          | 0          | 150           | 100          | 0          | 100           | 90           | 0          | 90            | 110          | 0          | 110           | 115          | 0          | 115           |
| Chemicals.....                               | 250          | 25         | 225           | 285          | 5          | 280           | 315          | 5          | 310           | 310          | 5          | 305           | 330          | 10         | 320           | 295          | 15         | 280           |
| Of which:                                    |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |
| Fertilizer.....                              | 155          | 0          | 155           | 200          | 0          | 200           | 200          | 0          | 200           | 205          | 0          | 205           | 230          | 0          | 230           | 200          | 0          | 200           |
| Manufactures.....                            | 910          | 275        | 635           | 945          | 185        | 760           | 775          | 185        | 590           | 850          | 165        | 685           | 1,120        | 190        | 930           | 1,275        | 275        | 1,000         |
| Of which:                                    |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |              |            |               |
| Textile yarn and fabrics.....                | 35           | 0          | 35            | 45           | 0          | 45            | 40           | 0          | 40            | 30           | 0          | 30            | 45           | 0          | 45            | 25           | 0          | 25            |
| Iron and steel.....                          | 225          | 25         | 200           | 320          | 25         | 295           | 265          | 25         | 240           | 275          | 20         | 255           | 405          | 35         | 370           | 475          | 45         | 430           |
| Nonferrous metals.....                       | 55           | 5          | 50            | 85           | 10         | 75            | 125          | 10         | 115           | 225          | 5          | 220           | 210          | 10         | 200           | 145          | 10         | 135           |
| Machinery and equipment.....                 | 455          | 205        | 250           | 380          | 135        | 245           | 275          | 140        | 135           | 240          | 130        | 110           | 395          | 140        | 255           | 495          | 210        | 285           |
| Other.....                                   | 25           | 25         | 0             | 20           | 15         | 5             | 20           | 10         | 10            | 10           | 5          | 5             | 10           | 0          | 10            | 30           | 10         | 20            |

<sup>a</sup> Data have been rounded to the nearest \$5 million. Estimates are based on data reported by trading partners. Where data are incomplete, as for most less developed countries and for many of the Communist countries, estimates are based on fragmentary information from trade agreements and press reports and on commodity breakdowns available for earlier years.

**Table 9**  
China: Commodity Composition of Trade with Non-Communist Countries \*  
1971

China. Commodity Composition of Trade with Non-Communist Countries

1971

Million US\$

| Commodity Category                            | Total Non-Communist Countries | Developed Countries <sup>b</sup> |       |                |                |        |       |    |      |        |           | Hong Kong and Macao <sup>e</sup> | Less Developed Countries <sup>f</sup> |
|-----------------------------------------------|-------------------------------|----------------------------------|-------|----------------|----------------|--------|-------|----|------|--------|-----------|----------------------------------|---------------------------------------|
|                                               |                               | Total <sup>c</sup>               | Japan | Western Europe |                |        |       |    |      | Canada | Australia |                                  |                                       |
|                                               |                               |                                  |       | West Germany   | United Kingdom | France | Italy |    |      |        |           |                                  |                                       |
| Exports .....                                 | 1,825                         | 810                              | 322   | 410            | 89             | 69     | 67    | 56 | 28   | 42     | 445       | 570                              |                                       |
| Foodstuffs .....                              | 650                           | 195                              | 89    | 97             | 20             | 15     | 20    | 15 | 5    | 2      | 275       | 180                              |                                       |
| Of which:                                     |                               |                                  |       |                |                |        |       |    |      |        |           |                                  |                                       |
| Animals, meat, and fish .....                 | 245                           | 75                               | 37    | 37             | 1              | 8      | 15    | 7  | Negl | 1      | 161       | 10                               |                                       |
| Grains .....                                  | 90                            | 10                               | 9     | 2              | Negl           | 1      | Negl  | 0  | Negl | Negl   | 23        | 55                               |                                       |
| Fruits and vegetables .....                   | 160                           | 75                               | 35    | 40             | 11             | 3      | 2     | 7  | 4    | 1      | 36        | 50                               |                                       |
| Crude materials, fuels, and edible oils ..... | 400                           | 325                              | 158   | 161            | 49             | 22     | 18    | 28 | 1    | 4      | 25        | 50                               |                                       |
| Of which:                                     |                               |                                  |       |                |                |        |       |    |      |        |           |                                  |                                       |
| Oilseeds .....                                | 15                            | 5                                | 1     | 5              | 0              | 2      | 2     | 0  | Negl | Negl   | 3         | 5                                |                                       |
| Textile fibers .....                          | 120                           | 120                              | 62    | 55             | 15             | 5      | 8     | 17 | 0    | 1      | 1         | 0                                |                                       |
| Crude animal materials .....                  | 90                            | 70                               | 9     | 60             | 21             | 12     | 5     | 9  | 1    | 2      | 9         | 10                               |                                       |
| Chemicals .....                               | 100                           | 60                               | 26    | 30             | 6              | 7      | 4     | 5  | Negl | 3      | 15        | 25                               |                                       |
| Manufactures .....                            | 645                           | 225                              | 49    | 119            | 14             | 24     | 25    | 6  | 21   | 31     | 130       | 290                              |                                       |
| Of which:                                     |                               |                                  |       |                |                |        |       |    |      |        |           |                                  |                                       |
| Textile yarn and fabric .....                 | 245                           | 85                               | 19    | 42             | 3              | 9      | 6     | 2  | 6    | 20     | 38        | 120                              |                                       |
| Clothing .....                                | 60                            | 35                               | 13    | 8              | 2              | 1      | 1     | 1  | 11   | 5      | 17        | 10                               |                                       |
| Iron and steel .....                          | 35                            | 5                                | 0     | 4              | 0              | Negl   | Negl  | 0  | 0    | Negl   | 8         | 20                               |                                       |
| Nonferrous metals .....                       | 35                            | 15                               | 1     | 16             | 4              | 1      | 7     | 0  | Negl | Negl   | 9         | 10                               |                                       |
| Other <sup>g</sup> .....                      | 30                            | 5                                | Negl  | 3              | Negl           | 1      | Negl  | 2  | 1    | 2      | 0         | 25                               |                                       |

Table 9 (Continued)

China: Commodity Composition of Trade with Non-Communist Countries <sup>a</sup>

1971

Million US\$

| Commodity Category                           | Total Non-Communist Countries | Developed Countries <sup>b</sup> |                  |                    |              |                |        |       |        |           |                                  | Less Developed Countries <sup>c</sup> |
|----------------------------------------------|-------------------------------|----------------------------------|------------------|--------------------|--------------|----------------|--------|-------|--------|-----------|----------------------------------|---------------------------------------|
|                                              |                               | Western Europe                   |                  |                    |              |                |        |       |        |           |                                  |                                       |
|                                              |                               | Total <sup>e</sup>               | Japan            | Total <sup>d</sup> | West Germany | United Kingdom | France | Italy | Canada | Australia | Hong Kong and Macao <sup>e</sup> |                                       |
| Imports.....                                 | 1,820                         | 1,430                            | 607              | 575                | 160          | 92             | 125    | 71    | 213    | 29        | 5                                | 385                                   |
| Foodstuffs.....                              | 230                           | 205                              | Negl             | 1                  | 0            | 1              | Negl   | 0     | 199    | 2         | 0                                | 25                                    |
| Of which:                                    |                               |                                  |                  |                    |              |                |        |       |        |           |                                  |                                       |
| Grains.....                                  | 210                           | 200                              | Negl             | 0                  | 0            | 0              | Negl   | 0     | 199    | 2         | 0                                | 10                                    |
| Crude materials, fuels, and edible oils..... | 290                           | 85                               | 17               | 48                 | 1            | 13             | Negl   | 9     | 9      | 10        | 3                                | 200                                   |
| Of which:                                    |                               |                                  |                  |                    |              |                |        |       |        |           |                                  |                                       |
| Rubber.....                                  | 75                            | 5                                | 7                | Negl               | 0            | Negl           | Negl   | 0     | Negl   | 0         | 0                                | 70                                    |
| Textile fibers.....                          | 115                           | 35                               | 8                | 19                 | 1            | 10             | Negl   | 0     | Negl   | 6         | 0                                | 80                                    |
| Chemicals.....                               | 280                           | 270                              | 173              | 98                 | 32           | 5              | 7      | 26    | Negl   | 1         | 0                                | 10                                    |
| Of which:                                    |                               |                                  |                  |                    |              |                |        |       |        |           |                                  |                                       |
| Fertilizer.....                              | 200                           | 190 <sup>h</sup>                 | 110 <sup>h</sup> | 1                  | 1            | 1              | 1      | 1     | Negl   | 0         | 0                                | 1                                     |
| Manufactures.....                            | 1,000                         | 865                              | 417              | 424                | 127          | 73             | 118    | 35    | 5      | 16        | 2                                | 135                                   |
| Of which:                                    |                               |                                  |                  |                    |              |                |        |       |        |           |                                  |                                       |
| Textile yarn and fabric.....                 | 25                            | 25                               | 14               | 9                  | 3            | 1              | 4      | Negl  | 1      | Negl      | 0                                | 0                                     |
| Iron and steel.....                          | 430                           | 430                              | 282              | 137                | 72           | 10             | 11     | 17    | Negl   | 12        | 0                                | 0                                     |
| Nonferrous metals.....                       | 135                           | 50                               | 11               | 30                 | 5            | 16             | 1      | 1     | 3      | 4         | 0                                | 85                                    |
| Machinery and equipment.....                 | 285                           | 285                              | 94               | 192                | 33           | 23             | 92     | 17    | Negl   | Negl      | 0                                | 0                                     |
| Other <sup>g</sup> .....                     | 20                            | 5                                | Negl             | 4                  | 0            | Negl           | Negl   | 1     | Negl   | Negl      | 0                                | 15                                    |

<sup>a</sup> Figures rounded to the nearest \$5 million for total developed countries, total Western Europe, and less developed countries, and to the nearest \$1 million for individual countries. Because of rounding, components may not add to the totals shown. Figures are adjusted to reflect Chinese imports c.i.f. and Chinese exports f.o.b.

<sup>b</sup> Adjusted official figures except for total Western Europe and Australia.

<sup>c</sup> Total of Japan, Western Europe, Canada, Australia, and New Zealand.

<sup>d</sup> Sum of adjusted official figures for Austria, Belgium-Luxembourg, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and West Germany.

<sup>e</sup> Exports are official data for Hong Kong plus estimates for Macao. Imports are estimates.

<sup>f</sup> Estimates based on very limited information. Complete commodity breakdowns are available for only a small number of countries, and partial breakdowns are available for a few others.

<sup>g</sup> Including unreported trade.

<sup>h</sup> Freight adjustment was made independently, based on information on actual shipping costs.

<sup>i</sup> Complete information on fertilizer imports, by country, is not available.

<sup>j</sup> Data for nonferrous metals include official country data plus an estimate of nonferrous imports, especially copper, that are sold to China through the London Metals Exchange but have not been reported by the exporting country as sales to China.

Table 10

China: Commodity Composition of Trade with Non-Communist Countries <sup>a</sup>  
1970

Million US\$

| Commodity Category                           | Total Non-Communist Countries | Developed Countries <sup>b</sup> |       |                    |              |                |        |       |        |      |           | Less Developed Countries <sup>f</sup> |                                  |
|----------------------------------------------|-------------------------------|----------------------------------|-------|--------------------|--------------|----------------|--------|-------|--------|------|-----------|---------------------------------------|----------------------------------|
|                                              |                               | Total <sup>c</sup>               | Japan | Western Europe     |              |                |        |       |        |      | Australia |                                       | Hong Kong and Macao <sup>e</sup> |
|                                              |                               |                                  |       | Total <sup>d</sup> | West Germany | United Kingdom | France | Italy | Canada |      |           |                                       |                                  |
| Exports.....                                 | 1,570                         | 675                              | 255   | 355                | 70           | 69             | 57     | 56    | 22     | 40   | 370       | 525                                   |                                  |
| Foodstuffs.....                              | 555                           | 140                              | 67    | 65                 | 16           | 14             | 15     | 3     | 4      | 2    | 220       | 195                                   |                                  |
| Of which:                                    |                               |                                  |       |                    |              |                |        |       |        |      |           |                                       |                                  |
| Animals, meat, and fish.....                 | 195                           | 55                               | 33    | 25                 | 1            | 6              | 12     | 1     | Negl   | 1    | 125       | 15                                    |                                  |
| Grains.....                                  | 80                            | 5                                | 3     | 5                  | Negl         | 2              | Negl   | 0     | 0      | 0    | 23        | 50                                    |                                  |
| Fruits and vegetables.....                   | 145                           | 50                               | 26    | 20                 | 6            | 3              | 1      | 2     | 4      | 1    | 37        | 60                                    |                                  |
| Crude materials, fuels, and edible oils..... | 370                           | 285                              | 123   | 155                | 39           | 23             | 18     | 36    | 1      | 4    | 25        | 60                                    |                                  |
| Of which:                                    |                               |                                  |       |                    |              |                |        |       |        |      |           |                                       |                                  |
| Oilseeds.....                                | 65                            | 50                               | 42    | 10                 | 1            | Negl           | 1      | 2     | 0      | Negl | 3         | 10                                    |                                  |
| Textile fibers.....                          | 90                            | 90                               | 36    | 55                 | 4            | 8              | 9      | 28    | 0      | 1    | 2         | 0                                     |                                  |
| Crude animal materials.....                  | 80                            | 60                               | 6     | 50                 | 22           | 8              | 5      | 2     | Negl   | 2    | 8         | 10                                    |                                  |
| Chemicals.....                               | 80                            | 55                               | 23    | 30                 | 5            | 9              | 6      | 4     | 1      | 2    | 10        | 15                                    |                                  |
| Manufactures.....                            | 555                           | 195                              | 42    | 105                | 10           | 23             | 18     | 13    | 16     | 32   | 115       | 245                                   |                                  |
| Of which:                                    |                               |                                  |       |                    |              |                |        |       |        |      |           |                                       |                                  |
| Textile yarn and fabric.....                 | 260                           | 80                               | 16    | 40                 | 3            | 7              | 4      | 9     | 2      | 22   | 35        | 145                                   |                                  |
| Clothing.....                                | 70                            | 30                               | 10    | 10                 | 1            | 1              | Negl   | 1     | 8      | 6    | 15        | 25                                    |                                  |
| Iron and steel.....                          | 15                            | Negl                             | Negl  | Negl               | 0            | 0              | Negl   | 0     | 0      | 0    | 6         | 10                                    |                                  |
| Nonferrous metals.....                       | 15                            | 15                               | Negl  | 15                 | 2            | 0              | 6      | 0     | 0      | Negl | 0         | Negl                                  |                                  |
| Other <sup>g</sup> .....                     | 10                            | Negl                             | Negl  | Negl               | Negl         | Negl           | Negl   | Negl  | 0      | 0    | 0         | 10                                    |                                  |



Table 10 (Continued)

China: Commodity Composition of Trade with Non-Communist Countries <sup>a</sup>  
1970

Million US\$

| Commodity Category                           | Total Non-Communist Countries | Developed Countries <sup>b</sup> |                 |                    |              |                |           |           |            |            |                                  | Less Developed Countries <sup>c</sup> |
|----------------------------------------------|-------------------------------|----------------------------------|-----------------|--------------------|--------------|----------------|-----------|-----------|------------|------------|----------------------------------|---------------------------------------|
|                                              |                               | Western Europe                   |                 |                    |              |                |           |           |            |            | Hong Kong and Macao <sup>e</sup> |                                       |
|                                              |                               | Total <sup>c</sup>               | Japan           | Total <sup>d</sup> | West Germany | United Kingdom | France    | Italy     | Canada     | Australia  |                                  |                                       |
| <b>Imports</b> .....                         | <b>1,825</b>                  | <b>1,555</b>                     | <b>600</b>      | <b>660</b>         | <b>200</b>   | <b>143</b>     | <b>97</b> | <b>76</b> | <b>154</b> | <b>135</b> | <b>5</b>                         | <b>265</b>                            |
| Foodstuffs.....                              | 285                           | 280                              | 0               | 20                 | 0            | Negl           | 20        | 0         | 132        | 129        | 0                                | 5                                     |
| Of which:                                    |                               |                                  |                 |                    |              |                |           |           |            |            |                                  |                                       |
| Grains.....                                  | 280                           | 280                              | 0               | 20                 | 0            | 0              | 20        | 0         | 132        | 129        | 0                                | Negl                                  |
| Crude materials, fuels, and edible oils..... | 280                           | 50                               | 15              | 25                 | 5            | 6              | 1         | Negl      | 3          | 1          | 0                                | 230                                   |
| Of which:                                    |                               |                                  |                 |                    |              |                |           |           |            |            |                                  |                                       |
| Rubber.....                                  | 80                            | Negl                             | 0               | Negl               | 0            | Negl           | 0         | 0         | 0          | 0          | 0                                | 80                                    |
| Textile fibers.....                          | 110                           | 20                               | 7               | 10                 | 4            | 5              | Negl      | Negl      | 0          | 1          | 0                                | 90                                    |
| Chemicals.....                               | 320                           | 315                              | 147             | 165                | 48           | 12             | 8         | 41        | 0          | Negl       | Negl                             | 5                                     |
| Of which:                                    |                               |                                  |                 |                    |              |                |           |           |            |            |                                  |                                       |
| Fertilizer.....                              | 230                           | 230                              | 97 <sup>h</sup> | 130 <sup>h</sup>   | 1            | 1              | 1         | 1         | 0          | 0          | 0                                | Negl                                  |
| Manufactures.....                            | 930                           | 900                              | 437             | 440                | 147          | 125            | 67        | 35        | 19         | 4          | 5                                | 25                                    |
| Of which:                                    |                               |                                  |                 |                    |              |                |           |           |            |            |                                  |                                       |
| Textile yarn and fabric.....                 | 45                            | 40                               | 15              | 25                 | 7            | 1              | 2         | 13        | 0          | 0          | 1                                | 5                                     |
| Iron and steel.....                          | 370                           | 370                              | 249             | 120                | 77           | 10             | 5         | 3         | Negl       | Negl       | Negl                             | Negl                                  |
| Nonferrous metals.....                       | 200                           | 190                              | 28              | 140                | 29           | 70             | 4         | 0         | 19         | 3          | Negl                             | 10                                    |
| Machinery and equipment.....                 | 255                           | 255                              | 120             | 135                | 23           | 13             | 54        | 18        | Negl       | 0          | 2                                | 0                                     |
| Other <sup>f</sup> .....                     | 10                            | 10                               | Negl            | 10                 | Negl         | Negl           | 1         | 0         | 0          | Negl       | 0                                | 0                                     |

<sup>a</sup> Figures rounded to the nearest \$5 million for total developed countries, total Western Europe, and less developed countries, and to the nearest \$1 million for individual countries. Because of rounding, components may not add to the totals shown. Figures are adjusted to reflect Chinese imports c.i.f. and Chinese exports f.o.b.

<sup>b</sup> Adjusted official figures except for total Western Europe and Australia.

<sup>c</sup> Total of Japan, Western Europe, Canada, Australia, and New Zealand.

<sup>d</sup> Sum of adjusted official figures for Austria, Belgium-Luxembourg, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and West Germany.

<sup>e</sup> Exports are official data for Hong Kong plus estimates for Macao. Imports are estimates.

<sup>f</sup> Estimates based on very limited information. Complete commodity breakdowns are available for only a small number of countries, and partial breakdowns are available for a few others.

<sup>g</sup> Including unreported trade.

<sup>h</sup> Freight adjustment was made independently, based on information on actual shipping costs.

<sup>i</sup> Complete information on fertilizer imports, by country, is not available.

<sup>j</sup> Data for nonferrous metals include official country data plus an estimate of nonferrous imports, especially copper, that are sold to China through the London Metals Exchange but have not been reported by the exporting country as sales to China.

Table 11

China: Imports of Machinery, Equipment, and Scientific Instruments from the USSR and Non-Communist Countries <sup>a</sup>

| Commodity                                        | 1966          |      | 1967          |      | 1968          |      | 1969          |      | 1970          |      | 1971          |      |
|--------------------------------------------------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|---------------|------|
|                                                  | Non-Communist | USSR | Non-Communist | USSR | Non-Communist | USSR | Non-Communist | USSR | Non-Communist | USSR | Non-Communist | USSR |
| <b>Total</b> .....                               | 262.5         | 86.2 | 222.1         | 24.6 | 121.1         | 14.9 | 110.2         | 21.6 | 260.2         | 16.4 | 285           | 54.6 |
| Nonelectric machinery.....                       | 149.4         | 34.2 | 130.4         | 6.6  | 69.7          | 4.3  | 67.0          | 9.1  | 122.9         | 4.9  | N.A.          | 9.8  |
| Internal combustion engines.....                 | 14.4          | 0    | 5.2           | 0    | 3.0           | 0    | 4.2           | 0    | 4.9           | 0    | N.A.          | 0    |
| Agricultural machinery.....                      | 2.4           | 14.6 | 0.3           | 2.5  | 0.1           | 2.9  | 1.4           | 3.7  | 2.5           | 2.2  | N.A.          | 3.6  |
| Machine tools.....                               | 30.6          | 7.7  | 35.2          | 0.8  | 28.2          | 0.2  | 22.9          | 1.1  | 45.9          | 1.4  | N.A.          | 3.8  |
| Other metalworking machinery.....                | 1.2           | 0    | 16.6          | 0    | 2.0           | 0    | 0.6           | 0    | 0.6           | 0    | N.A.          | 0    |
| Textile machinery.....                           | 12.5          | 0    | 4.6           | 0    | 2.1           | 0    | 1.9           | 0    | 0.6           | 0    | N.A.          | 0    |
| Construction and mining machinery.....           | 12.7          | 9.6  | 7.0           | 0.8  | 1.1           | 0.4  | 2.7           | 0.3  | 13.0          | 0.2  | N.A.          | 0.1  |
| Pumps, centrifuges, and filtering equipment..... | 10.6          | 0.6  | 8.1           | 0    | 5.1           | 0.2  | 8.0           | 0.8  | 16.3          | 0.1  | N.A.          | 0    |
| Handling equipment.....                          | 3.1           | 1.0  | 8.5           | 0.5  | 2.5           | 0    | 1.5           | 3.0  | 4.4           | 1.0  | N.A.          | 0.4  |
| Ball, needle, and roller bearings.....           | 2.0           | 0.4  | 8.5           | 0.3  | 10.2          | 0.3  | 11.2          | 0.2  | 17.1          | 0    | N.A.          | 1.9  |
| Other nonelectric machinery.....                 | 59.9          | 0.3  | 36.4          | 1.7  | 15.3          | 0.3  | 12.6          | 0    | 17.6          | 0    | N.A.          | 0    |
| Electric machinery and equipment.....            | 36.9          | 3.1  | 28.4          | 0.9  | 15.6          | 0.4  | 12.1          | 0.6  | 15.6          | 2.0  | N.A.          | 1.6  |
| Communications equipment.....                    | 6.0           | 0    | 3.5           | 0    | 1.0           | 0    | 1.5           | 0    | 1.6           | 0    | N.A.          | 0    |
| Control equipment.....                           | 14.3          | 0.3  | 9.1           | 0.1  | 5.1           | 0    | 4.3           | 0    | 4.5           | 0    | N.A.          | 0    |
| Other electric machinery and equipment.....      | 16.6          | 2.8  | 15.8          | 0.8  | 9.5           | 0.4  | 6.3           | 0.6  | 9.5           | 2.0  | N.A.          | 1.6  |
| Transport equipment.....                         | 51.3          | 41.5 | 43.0          | 14.5 | 20.7          | 7.9  | 19.5          | 15.9 | 110.5         | 8.6  | N.A.          | 41.4 |
| Railway vehicles.....                            | 3.5           | 0    | 1.0           | 0    | 2.0           | 0    | 4.9           | 0    | 9.6           | 0    | N.A.          | 0    |
| Trucks.....                                      | 25.1          | 15.8 | 16.3          | 1.9  | 7.4           | 1.0  | 6.6           | 4.0  | 46.7          | 0.4  | N.A.          | 3.1  |
| Other motor vehicles and parts.....              | 6.5           | 11.3 | 4.3           | 1.9  | 5.0           | 4.8  | 6.5           | 6.7  | 19.3          | 3.4  | N.A.          | 3.6  |
| Aircraft and parts.....                          | 0             | 14.4 | 0             | 10.7 | 3.2           | 2.1  | 0.4           | 5.2  | 18.6          | 4.8  | N.A.          | 33.8 |
| Ships.....                                       | 15.4          | 0    | 20.7          | 0    | 2.9           | 0    | 0.9           | 0    | 14.7          | 0    | N.A.          | 0    |
| Other transport equipment.....                   | 0.8           | 0    | 0.7           | 0    | 0.2           | 0    | 0.2           | 0    | 1.6           | 0    | N.A.          | 0.9  |
| Instruments.....                                 | 24.9          | 4.7  | 20.3          | 1.4  | 15.1          | 1.6  | 11.6          | 0.4  | 11.2          | 0.3  | N.A.          | 0.5  |
| Other.....                                       | 0             | 2.7  | 0             | 1.2  | 0             | 0.7  | 0             | 6.3  | 0             | 0.6  | N.A.          | 1.3  |

<sup>a</sup> Data given are f.o.b. the exporting nation and thus differ from those in the other tables, which are given c.i.f. China.

Table 12

China: Imports of Grains and Chemical Fertilizer

| Year       | Grain               |              | Chemical Fertilizer              |              |
|------------|---------------------|--------------|----------------------------------|--------------|
|            | Million Metric Tons | Million US\$ | Million Metric Tons <sup>a</sup> | Million US\$ |
| 1966 ..... | 5.6                 | 400          | 2.5                              | 155          |
| 1967 ..... | 4.1                 | 295          | 4.3                              | 200          |
| 1968 ..... | 4.4                 | 305          | 4.0                              | 200          |
| 1969 ..... | 3.9                 | 260          | 4.1                              | 205          |
| 1970 ..... | 4.6                 | 280          | 4.3                              | 230          |
| 1971 ..... | 3.0                 | 210          | 4.2                              | 200          |

<sup>a</sup> In product weight.

## APPENDIX B

## China: Foreign Trade Corporations and Their Areas of Responsibility

| Name                                                                        | Mailing Address                     | Cable Address          | Area of Responsibility                                                                                 |
|-----------------------------------------------------------------------------|-------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------|
| China National Chemicals Import and Export Corp.                            | Erh Li Kou, Hsi Chiao, Peking.....  | "SINOCHEM"<br>Peking   | Chemicals, rubber, petroleum, fertilizers, and pharmaceuticals.                                        |
| China National Native Produce and Animal Byproducts Import and Export Corp. | 82, Tung An Men Street, Peking..... | "CHINATUHSU"<br>Peking | Tea, coffee, tobacco, forest products, spices, furs, bristles, feathers, casings, hides, and leathers. |
| China National Light Industrial Products Import and Export Corp.            | 82, Tung An Men Street, Peking..... | "INDUSTRY"<br>Peking   | General merchandise, paper, toys, sporting goods, china, jewelry, and precious stones.                 |
| China National Textiles Import and Export Corp.                             | 82, Tung An Men Street, Peking..... | "CHINATEX"<br>Peking   | Textile yarn, fabrics, man-made and natural fibers, clothing, and knitwear.                            |
| China National Cereals, Oils and Foodstuffs Import and Export Corp.         | 82, Tung An Men Street, Peking..... | "CEROILFOOD"<br>Peking | Meat, grain, fruits, vegetables, fish, sugar, beverages, and animal feed.                              |
| China National Machinery Import and Export Corp.                            | Erh Li Kou, Hsi Chiao, Peking.....  | "MACHIMPEX"<br>Peking  | Machinery, transport equipment, bearings, instruments, spare parts, and complete plants.               |
| China National Metals and Minerals Import and Export Corp.                  | Erh Li Kou, Hsi Chiao, Peking.....  | "MINMETALS"<br>Peking  | Ferrous and nonferrous metals, ores, minerals, coal, cement, and hardware.                             |

## APPENDIX C

### Methodological Supplement: Merchandise Trade of China

#### Sources

##### *Non-Communist Countries*

The raw data used to estimate China's trade consist of official trade statistics published by China's trading partners. Most of these data are compiled by the US Department of Commerce in the Value Series and the Country-by-Commodity Series. *Directions of Trade*, a statistical publication of the International Monetary Fund, contains information on the trade of some of the less developed countries whose volume of trade with China is too small to be included in the Commerce Department statistics or whose data are published with an extensive timelag. For countries whose trade data are not available, fragmentary press reports and items in such publications as *China Trade Report* concerning trade agreements are used to estimate the volume of trade.

##### *Communist Countries*

Trade data for the USSR and the East European Communist countries are available in their official statistics. Press reports concerning trade and aid agreements and published statements of government officials provide fragmentary information on which to base estimates of trade with Cuba, Albania, North Korea, and North Vietnam.

#### Adjustments

##### *Freight Charges and Leads and Lags*

Since the trade data published by non-Communist trading partners normally show imports c.i.f. and exports f.o.b., freight (including insurance) charges must be subtracted from the import figures to obtain the value of China's exports on an f.o.b. basis, and at the same time freight charges must be added to the partner's export figures to obtain the c.i.f. cost of imports to China. In addition, the partner's import figures are recorded at the date of receipt of the goods, which lags behind the date of China's actual export of the goods. Similarly, the partner's exports are reported before receipt of goods by China, and an adjustment must be made for this lead. Consequently, the partner's export figures must be "lagged" and the import figures must be "led" forward in time to adjust these data to represent the proper timing of China's imports and exports. For example, Western Europe's December import data lag roughly two months behind the date the goods actually were exported from China—that is, Western Europe's December imports are actually China's October exports. At the same time, Western Europe's August exports are actually China's October imports.

The adjustments to the current export data of China's trading partners used to obtain the value of China's calendar year (N) imports follow.

| Area                                   | Length of Lead<br>(Months) | Period of the Partner's<br>Data Equivalent to<br>China's Calendar<br>Year (N) | Freight<br>Adjustment<br>(Percent) |
|----------------------------------------|----------------------------|-------------------------------------------------------------------------------|------------------------------------|
| Western Europe.....                    | 2                          | Nov N-1 to Oct N                                                              | + 15 <sup>a</sup>                  |
| Western Hemisphere.....                | 1                          | Dec N-1 to Nov N                                                              | + 10 <sup>b</sup>                  |
| Africa.....                            | 2                          | Nov N-1 to Oct N                                                              | + 10                               |
| East Asia and the Pacific.....         | 1                          | Dec N-1 to Nov N                                                              | + 5 <sup>b</sup>                   |
| except:                                |                            |                                                                               |                                    |
| Japan, Hong Kong, and<br>Macao.        | None                       | Jan N to Dec N                                                                | + 5                                |
| Middle East and South Asia.....        | 1                          | Dec N-1 to Nov N                                                              | + 5                                |
| except:                                |                            |                                                                               |                                    |
| Mediterranean countries.....           | 2 <sup>c</sup>             | Dec N-1 to Nov N                                                              | + 15                               |
| Communist countries <sup>d</sup> ..... | None                       | Jan N to Dec N                                                                | None                               |

<sup>a</sup> The freight adjustment was 10% before 1967 and 13.5% in 1967 and 1968.

<sup>b</sup> Separate adjustments have been made for grain imports from Australia, Canada, and Argentina that are based on actual freight charges in a given year.

<sup>c</sup> Before the closing of the Suez Canal there was roughly a one-month lead between the time goods were reported as exports to China and the time at which China actually received the goods as imports. The closing of the Suez Canal in June 1967 caused an immediate two-week break in deliveries and a long-run change to roughly a two-month lead. Goods shipped in June and normally adjusted to be shown as China's imports in July were not received until August. Thus, China's imports in July were recorded as zero for the following countries: Jordan, Malta, Syria, Turkey, Egypt, and other Middle East countries on the Mediterranean side of the Suez Canal. As a result, China's calendar year imports in 1967 were equivalent to 11 months of exports from these countries.

<sup>d</sup> Data for most of the Communist countries are not presented in their published statistics on a monthly basis. The official yearbooks provide only annual data. Consequently, no attempt has been made to adjust for leads or lags. In addition, most Communist countries show imports and exports f.o.b. border. Thus, the import figures shown by China's trading partners do not need to be adjusted to obtain the f.o.b. value of China's exports. Because of lack of relevant data, the Communist partner's export figures also are not adjusted even though the cost to China might include freight charges for the imports. In the past, the USSR accounted for the bulk of this trade and much of the volume was overland trade. Thus, China's imports, which were valued f.o.b. border, would involve additional freight charges as domestic costs in its own currency. Eastern Europe, however, now accounts for much of China's trade with the Communist countries, and a large portion of this trade travels by sea. Thus, China's imports probably should include some adjustment for freight charges.

Adjustments to import data of China's trading partners to show the value of China's calendar year (N) exports follow.

| Area                            | Length of Lag<br>(Months) | Period of the Partner's<br>Data Equivalent to<br>China's Calendar<br>Year (N) | Freight<br>Adjustment<br>(Percent) |
|---------------------------------|---------------------------|-------------------------------------------------------------------------------|------------------------------------|
| Western Europe.....             | 2                         | Mar N to Feb N + 1                                                            | -15 <sup>a</sup>                   |
| Western Hemisphere.....         | 1                         | Feb N to Jan N + 1                                                            | -10 <sup>b</sup>                   |
| Africa.....                     | 2                         | Mar N to Feb N + 1                                                            | -10                                |
| East Asia and the Pacific.....  | 1                         | Feb N to Jan N + 1                                                            | -5 <sup>b</sup>                    |
| except:                         |                           |                                                                               |                                    |
| Japan, Hong Kong, and<br>Macao. | None                      | Jan N to Dec N                                                                | -5                                 |
| Middle East and South Asia..... | 1                         | Feb N to Jan N + 1                                                            | -5                                 |
| except:                         |                           |                                                                               |                                    |
| Mediterranean countries.....    | 2 <sup>c</sup>            | Mar N to Feb N + 1                                                            | -15 <sup>a</sup>                   |
| Communist countries.....        | None                      | Jan N to Dec N                                                                | None                               |

<sup>a</sup> Before 1967, freight adjustments were based on estimates of costs for individual commodities. In 1967-68 a flat rate of 13.5% was used which was based on average rates of about 10% before the Suez Canal was closed and on additional costs due to the Canal closure.

<sup>b</sup> Canada, Australia, and the United States report imports f.o.b. country of export. Since freight charges are not included in the import data of these countries, no freight charge adjustment is necessary to determine the f.o.b. value of China's exports.

<sup>c</sup> Before the closing of the Suez Canal, imports recorded by these countries lagged roughly one month behind the date of export from China. Thus, China's June exports would normally appear in the July import statistics of the trading partner. The closing of the Canal, however, caused a two-week break in deliveries and increased the timelag. Consequently, China's June exports actually were included in the July and August imports of the partners. (The July figures were sharply reduced below normal levels.) Subsequently, China's July exports are assumed to appear as September imports of its trading partners, and this two-month lag is expected to continue until the Canal reopens. China's 1967 calendar year exports were thus equivalent to the import statistics of its trading partners for 13 months. After that, the statistics for 12-month periods with a two-month lag corresponded to China's calendar year exports.

### Other Adjustments

Two other major problems in deriving estimates of China's imports and exports are double counting and unrecorded trade. Hong Kong's re-exports of China-origin goods are subtracted from Hong Kong's imports from China and counted as imports from China by the final recipients. Hong Kong has published statistics on re-exports, by country, since 1967, and estimates for 1965-66 were based on the later data. For example, although Taiwan and Panama report no trade with the PRC, re-exports through Hong Kong amounted to \$2.4 million with each in 1971. These figures have been included as China's exports to the two countries in this handbook. Re-exports to Indonesia, however, are apparently included in the semi-official data reported by that country, so they were not added to the reported data. There also appears to be a significant amount of re-exports of Chinese goods through Singapore. Although the volume and destination of Singapore's re-exports of Chinese goods cannot be calculated with any degree of accuracy, it is believed that most of the re-exports go to Malaysia. Therefore, all of Singapore's imports from China are recorded as Chinese exports to Singapore and Malaysia, and official data for Malaysian imports from China are not counted.

## APPENDIX D

### Selected Readings

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